

The embodiments of the invention for which an exclusive privilege and property right is claimed are defined as follows:

1. A process for packaging and securitizing future oil and gas production stream or streams from one or more oil and gas wells and creating a “production backed security”, the process steps comprising:

establishing an oil and gas trust, the trust managed by a trustee;

developing a comprehensive database related to a proposed purchase of an oil and gas production stream based on engineering data received from an oil and gas producer and related to the oil and gas wells and their production;

analyzing the engineering data to determine if the oil and gas production stream should be purchased;

purchasing the oil and gas production stream from one or more oil and gas wells by the trustee from the oil and gas producer;

issuing and selling a production backed security based on the oil and gas production stream by the trustee to one or more investors;

paying the oil and gas producer from a portion of the proceeds from the sale of the security to the investor; and

monitoring the oil and gas production stream purchased from the oil and gas producer.

2. The process as described in claim 1 wherein the step of analyzing the engineering data includes creating a decline curve related to current and future production of the oil and gas production stream and discounting the decline curve prior to purchasing the oil and gas production stream.

3. The process as described in claim 1 further including the step of hedging a commodity price on the oil and gas production stream prior to issuing and selling the security to one or more investors.

4. The process as described in claim 1 further including the step of providing a rating of the production backed security using a rating agency prior to issuing and selling the security to one or more investors.

5. The process as described in claim 1 further including the step of insuring and guaranteeing the production backed security using a finance or insurance company prior to issuing and selling the security to one or more investors.

6. The process as described in claim 1 further including the step of requesting and obtaining well insurance from the oil and gas producer on the oil and gas wells providing the oil and gas stream prior to purchasing the oil and gas stream.

7. A process for packaging and securitizing future oil and gas production stream or streams from one or more oil and gas wells and creating a "production backed security", the process steps comprising:

establishing an oil and gas trust, the trust managed by a trustee;

developing a comprehensive database related to a proposed purchase of an oil and gas production stream or streams based on engineering data received from an oil and gas producer and related to the oil and gas wells and their production;

analyzing the engineering data to determine if the oil and gas production stream or streams should be purchased and creating a decline curve related to current and future production of the oil and gas production stream or streams and discounting the decline curve prior to purchasing the oil and gas stream or streams;

insuring the oil and gas wells providing the oil and gas production stream or streams;

purchasing the oil and gas production stream or streams from one or more oil and gas wells by the trustee from the oil and gas producer;

issuing and selling a production backed security based on the production stream or streams by the trustee to one or more investors;

paying the oil and gas producer from a portion of the proceeds from the sale of the security to the investor; and.

monitoring the oil and gas production stream or streams purchased from the oil and gas producer.

8. The process as described in claim 7 wherein the step of analyzing the engineering data and creating a decline curve related to current and future production of the oil and gas production stream or streams and discounting the decline curve is in a range of 5 to 100% prior to purchasing the oil and gas stream.

9. The process as described in claim 7 further including the step of hedging a commodity price on the oil and gas production stream or streams prior to selling the security to an investor.

10. The process as described in claim 7 further including the step of providing a rating of the production backed security using a rating agency and prior to issuing and selling the security to one or more investors.

11. The process as described in claim 7 further including the step of credit enhancing the production backed security using a finance or insurance company and prior to issuing and selling the security to one or more investors.

12. A process for packaging and securitizing future oil and gas production stream or streams from one or more oil and gas wells and creating a "production backed security", the process steps comprising:

establishing an oil and gas trust, the trust managed by a trustee;

developing a comprehensive database related to a proposed purchase of an oil and gas production stream or streams based on engineering data received from an oil and gas producer and related to the oil and gas wells and their production;

analyzing the engineering data to determine if the oil and gas production stream or streams should be purchased and creating a decline curve related to current and future production of the oil and gas production stream or streams and discounting the decline curve in a range of 5 to 100% for a 3 to 5 year prior to purchasing the oil and gas stream or streams;

insuring the oil and gas wells providing the oil and gas production stream or streams;

purchasing the oil and gas production stream or streams from one or more oil and gas wells by the trustee from the oil and gas producer;

issuing and selling a production backed security based on the production stream or streams by the trustee to one or more investors;

paying the oil and gas producer from a portion of the proceeds from the sale of the security to the investor; and.

monitoring the oil and gas production stream or streams purchased from the oil and gas producer.

13. The process as described in claim 12 wherein the step of analyzing the engineering data and creating a decline curve related to current and future production of the oil and gas production stream or streams and discounting the decline curve is in a range of 5 to 100% prior to purchasing the oil and gas stream.

14. The process as described in claim 12 further including the step of hedging a commodity price on the oil and gas production stream or streams prior to selling the security to an investor.

15. The process as described in claim 12 further including the step of providing a rating of the production backed security using a rating agency and prior to issuing and selling the security to one or more investors.

16. The process as described in claim 12 further including the step of credit enhancing the production backed security using a finance or insurance company and prior to issuing and selling the security to one or more investors.